Message Text

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INFO OCT-01 ISO-00 CIAE-00 PM-05 H-01 INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11 MCT-01 SY-05 HA-05 ACDA-12 ITC-01 TRSE-00 EB-08 LAB-04 SIL-01 SCS-06 CA-01 /112 W

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R 092150Z JUN 78

FM AMEMBASSY SAN SALVADOR

TO SECSTATE WASHDC 8406

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMQXBASSY PANAMA 3449

AMEMBASSY SAN JOSE

AMEMBASSY TEGUCIGALPA

DIA WASHDC

USCINCSO QUARRY HEIGHTS CZ

USDOC WASHDC

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E.O. 11652: GDS

TAGS: ELAB PINT SHUM ASEC ES

SUBJ: EAGLE INTERNATIONAL EXECUTIVE, WIFE AND INSTRUCTOR DEPART

EL SALVADOR UNDER KIDNAP THREAT

REF: (AL SAN SALVADOR A-07, (B) 77 SAN SALVADOR 5234, (C) SAN SALVADOR 2916

1. SUMMARY: UNDER THE SHADOW OF A KIDNAP THREAT DETECTED AND COMMUNICATED BY EMBASSY OFFICERS, AND REPORTEDLY ON INSTRUCTIONS FROM HIS U.S. HEADQUARTERS, MR JOHN VANDERBERG, ACTING GENERAL MANAGER OF EAGLE INTERNATIONAL, DEPARTED EL SALVADOR WEDNESDAY MORNING, JUNE 8, 1978, ENROUTE TO HIS HOME BASE IN WISCONSIN. VANDERBERG WAS ACCOMPANIED BY HIS WIFE AND BILL RATZBURG, THE FIRM'S ONLY OTHER U.S. EXPATRIATE EMPLOYEES IN COUNTRY. BEFORE DEPARTING VANDERBERG STATED DEFINITIVELY THAT CONFIDENTIAL.

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EAGLE INTERNATIONAL, A WHOLLY OWNED SUBSIDIARY OF ZWICKER KNITTING MILLS, CURRENTLY OPERATING IN THE ZONA FRANCA WITH 528 EMPLOYEES, WOULD BE SHUTDOWN EFFECTIVE WEDNESDAY, JUNE 8, 1978. BASED ON ADMITTEDLY SKETCHY INTELLIGENCE EMBASSY SPECULATES THAT IN VIEW OF EAGLE INTERNATIONAL'S TROUBLE PLAGUED HISTORY AND RESULTING CURRENT PRECARIOUS STATUS, TERRORISTS PROBABLY REASON THAT KIDNAPPING OF U.S. EXPATRIATE EMPLOYEE COULD BE THE PROVERBIAL

LAST STRAW COMPELLING THE FIRM TO PULL OUT OF THE COUNTRY.
SUCH A PULL-OUT WOULD PROBABLY SERIOUSLY JEOPARDIZE FURTHER
DEVELOPMENT OF THE ZONA FRANCA, ONE OF THE FEW AREAS IN WHICH THE
GOES CAN DEMONSTRATE CONCRETE RESULTS, HOWEVER SHORT OF POTENTIAL.
IRONICALLY, IF CARRIED OUT, ALLEGED SHUTDOWN OF EAGLE INTERNATIONAL
WOULD ACHIEVE MUCH OF THE TERRORISTS' PRESUMED GOAL. AS OF
NOON FRIDAY, JUNE 9, EAGLE INTERNATIONAL CONTINUED TO OPERATE,
VIRTUALLY ON A BUSINESS AS USUAL BASIS.QSND SUMMARY.

2. TUESDAY, JUNE 6, 1978, COMATT AND POLITICAL/LABOR OFFICER MET TWICE WITH U.S. EMPLOYEES AND SALVADORAN LAWYERS OF EAGLE INTERNATIONAL, A WHOLLY OWNED SUBSIDIARY OF ZWICKER KNITTING MILLS OF APPLETON, WISCONSIN. UNDER SALVADORAN LAW, EAGLE INTERNATIONAL IS A NET EXPORT FIRM, UTILIZING MATERIALS IMPORTED FROM THE U.S. TO PRODUCE GLOVES WHICH ARE REEXPORTED TO THE U.S. UNDER U.S. TARIFF PROVISION 806. RECENTLY TRANSPOSED TO THE SAN BARTOLO ZONA FRANCA, THE COMPANY CURRENTLY EMPLOYS A WORK FORCE OF 528.

3. IN AFTERMATH OF TUESDAY'S MEETINGS FIRST, WITH ACTING GENERAL.

MANAGER OF EAGLE INTERNATIONAL, JOHN VANDERBERG, AND LATER WITH VANDERBERG, HIS WIFE AND TWO OF EAGLE INTERNATIONAL'S SALVADORAN LAWYERS, (REPORTED REFTEL C), COMATT RECEIVED CALL AT HOME AROUND 2150 HOURS FROM MARINE SECURITY GUARD. THE MARINE INDICATED THAT MR VANDERBERG HAD JUST CALLED EMBASSY STATING THAT HE HAD BEEN THREATENED BY KIDNAPPERS AND THAT HE URGENTLY CONFIDENTIAL

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NEEDED ASSISTANCE. VANDERBERG THEN ASKED THE MARINE GUARD TO CONTACT COMATT ON HIS BEHALF. MR BEBL, THE COMATT, RETURNED VANDERBERG'S CALL AT 2155 HOURS AND AFTER IDENTIFYING HIMSELF, ASKED WHAT WAS WRONG (SINCE PER REFTEL C VANDERBERG HAD INDICATED AT FIRST MEETING EARLIER THAT DAY THAT HE INTENDED TO REMAIN IN EL SALVADOR AND GAVE NO INDICATION TO THE CONTRARY AT A SUBSEQUENT MEETING). VANDERBERG, OBVIOUSLY UPSET, RELATED THAT HE HAD JUST CALLED TO BRIEF HIS IMMEDIATE BOSS, RALPH NAGREEN, MANAGER OF EAGLE INTERNATIONAL, CURRENTLY IN THE STATES TO DISCUSS THE COMPANY'S SITUATION WITH THE PRESIDENT AND THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE PARENT COMPANY. AFTER HEARING VANDERBERG'S ACCOUNT, NAGREEN REPORTEDLY ORDERED HIM, HIS WIFE AND MR RATZBURG (AN AMCIT INSTRUCTOR) TO TAKE THE FIRST FLIGHT OUT OF SAN SALVADOR.

4. CONSEQUENTLY, VANDERBERG BOOKED HIS PARTY TO LEAVE EL SALVADOR THE FOLLOWING MORNING, WEDNESDAY, JUNE 7 AT 9:30. IN A RELATED MOVE HE THEN REQUESTED THE COMATT'S ASSISTANCE IN PROVIDING HIS PARTY WITH TRANSPORTATION TO THE AIRPORT. BELL RESPONDED THAT WHILE WILLING, HE WOULD NONETHELESS HAVE TO CHECK WITH THE AMBASSADOR BEFORE COMMITTING HIMSELF.

5. SINCE AMBASSADOR DEVINE WAS ATTENDING A FAREWELL DINNER FOR A COLLEAGUE, MR BELL ASKED THE MARINE TO LEAVE A MESSAGE REQUESTING THE AMBASSADOR TO CALL HIM ON RETURNING TO THE RESIDENCE.

6. AFTER 30 MINUTES, THE COMATT CALLED VANDERBERG BACK TO REASSURE HIM THAT HE HAD NOT BEEN FORGOTTEN. VANDERBERG BY THAT TIME SEEMED MORE AT EASE. HE INDICATED THAT HE HAD JUST CALLED ONE OF THE COMPANY LAWYERS (PROBABLY SEGOVIA) AND THAT AS A RESULT HE NO LONGER NEEDED TRANSPORTATION TO THE AIRPORT (COMMENT: AS IT TURNS OUT VANDERBERG WANTED MR BELL AT THE AIRPORT BECAUSE HE DID NOT HAVE HIS PAPERS READY TO CLEAR THE COUNTRY AND PRESUMABLY WANTED AN EMBASSY OFFICIAL ON HAND TO RUN INTERFERENCE WITH SALVADORAN IMMIGRATION AUTHORITIES. APPARENTLY, CONFIDENTIAL

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HIS LAWYER CONTACT REMINDED VANDERBERG THAT LIC. RICARDO CASTANEDA WOULD BE DEPARTING ON THE SAME FLIGHT AND THAT HE COULD THEREFORE PROVIDE ANY NECESSARY ASSISTANCE - END OF COMMENT).

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7. MR BELL PROCEEDED TO ASK WHAT THE IMPLICATION WAS FOR EAGLE INTERNATIONAL. AFTER A LONG PAUSE, VANDERBERG RESPONDED THAT QUOTE EFFECTIVE TOMORROW, JUNE 7, EAGLE INTERNATIONAL WOULD CLOSE DOWN UNQUOTE. HE WENT ON TO ADD THAT EAGLE INTERNATIONAL WAS FED UP WITH THE GOES, THE UNION AND THE WORKERS AND THAT NOW THE COMPANY WAS SIMPLY GOING TO SIT BACK AND SEE WHAT HAPPENED. WHEN ASKED IF HIS ABSENCE WOULD BE TEMPORARY OR PERMANENT, VANDERBERG RESPONDED THAT, CONFIDENTIALLY, HE HOPED THE MOVE WOULD BE TEMPORARY. HOWEVER, THIS DEPENDED UPON REACTION OF THE

GOES, THE WORKERS AND THE UNION. MR. BELL THEN ASKED IF DECISION TO SHUT DOWN THE PLANT HAD BEEN MADE PRIOR TO OR AFTER VANDERBERG'S CALL TO NAGREEN. VANDERBERG RESPONDED THAT APPARENTLY THE DECISION TO CLOSE DOWN HAD BEEN MADE BEFORE HIS CALL AND THAT HIS CALL SIMPLY VALIDATED THE DECISION. AS AN AFTERCONFIDENTIAL

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THOUGH, HE ADDED THAT PERHAPS EAGLE INTERNATIONAL'S WARNINGS WOULD FINALLY BE TAKEN SERIOUSLY.

8. THE TELEPHONE CONVERSATION ENDED WITH VANDERBERG PROMISING TO CALL THE COMATT BEFORE DEPARTURE THE FOLLOWING MORNING.

9. THE NEXT MORNING, WEDNESDAY, JUNE 7, VANDERBERG CALLED AT 0900 HOURS TO SAY THAT HE WAS ABOUT TO DEPART FOR WISCONSIN ACCOMPANIED BY HIS WIFE AND MR. RATZBURG. HE THANKED THE EMBASSY PROFUSELY FOR THE TIMELY ASSISTANCE RENDERED AND EXPRESSED REGRET OVER ANY INCONVENIENCE HE MIGHT HAVE CAUSED.

10. LATER THAT DAY TO CHECK ACCURACY OF MR. VANDERBERG'S ASSERTIONS, COMATT CALLED EAGLE INTERVATIONAL PLANT AND TALKED TO MR. LUIS CHORRO, THE SALVADORAN ACCOUNTANT THEN IN CHARGE. ACCORDING TO MR. CHORRO, HE HAD NOT TALKED WITH VANDERBERG OR ANY OF HIS PARTY PRIOR TO DEPARTURE AND CONSEQUENTLY WAS OPERATING THE PLANT ON A BUSINESS AS USUAL BASIS. SINCE VANDERBERG DID NOT COMMUNICATE WITH CHORRO PRIOR TO HIS DEPARTURE THE ALLEGED SHUTDOWN ODER MUST OSTENSIBLY COME DIRECTLY FROM THE U.S., IF INDEED IT COMES AT ALL. UNFORTUNATELY, DR. SEGOVIA, THE ONLY PERSON REMAINING IN EL SALVADOR WHO MIGHT BE FULLY INFORMED HAS NOT BEEN AVAILABLE FOR CONMENT

11. AS OF NOON FRIDAY, JUNE 9, EAGLE INTERNATIONAL CONTINUES TO OPERATE AS USUAL WITH THE EXECPTION THAT NO OVERTIME IS BEING PERMITTED IN ORDER TO EMPTY PLANT PROMPTLY AT CLOSING TIME.

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED

Concepts: BUSINESSMEN, KIDNAPPING, THREATS, PERSONNEL TRAVEL, CLOSURE OF OFFICES

Control Number: n/a Copy: SINGLE Draft Date: 09 jun 1978 Decaption Date: 01 jan 1960 Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event:

Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SANSA02955
Document Source: CORE

Document Unique ID: 00 Drafter: n/a

Enclosure: n/a Executive Order: GS Errors: N/A

Expiration:

Film Number: D780243-0500

Format: TEL

From: SAN SALVADOR Handling Restrictions: n/a

Image Path: ISecure: 1

Legacy Key: link1978/newtext/t19780676/aaaacnby.tel Line Count: 224

Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 70ce428c-c288-dd11-92da-001cc4696bcc

Office: ACTION ARA

Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 5
Previous Channel Indicators: n/a Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 SAN SALVADOR A-7, 77 SAN SALVADOR 5234

Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 12 jul 2005 **Review Event:** Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2414433 Secure: OPEN Status: NATIVE

Subject: EAGLE INTERNATIONAL EXECUTIVE, WIFE AND INSTRUCTOR DEPART EL SALVADOR UNDER KIDNAP THREAT

TAGS: ELAB, PINT, SHUM, ASEC, PINS, ES, US, EAGLE INTERNATIONAL, (VANDERBERG, JOHN)

To: STATE Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/70ce428c-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

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